

REQUIRED SUPPLEMENTARY INFORMATION



Schedule of Funding Progress Employee Retirement Systems and Plans

(amounts expressed in thousands)	Primary Government	-----Discretely Presented Component Unit-----					
	SPRF	PERF -State	PERF-Municipal	ECRF	JRS	PARF	LRS
Valuation Date: July 1, 2006							
Actuarial value of assets	\$ 339,122	*	*	*	*	*	*
Actuarial accrued liability (AAL)	392,810	*	*	*	*	*	*
Excess of assets over (unfunded) AAL	(53,687)	*	*	*	*	*	*
Funded ratio	86%	*	*	*	*	*	*
Covered payroll	54,156	*	*	*	*	*	*
Excess (unfunded) AAL as a percentage of covered payroll	-99%	*	*	*	*	*	*
Valuation Date: July 1, 2005							
Actuarial value of assets	\$ 317,837	2,145,805	2,641,536	41,663	151,003	16,875	4,338
Actuarial accrued liability (AAL)	390,480	2,189,337	2,984,254	59,964	272,855	25,744	4,999
Excess of assets over (unfunded) AAL	(72,643)	(43,532)	(342,718)	(18,301)	(121,852)	(8,869)	(661)
Funded ratio	81%	98%	89%	69%	55%	66%	87%
Covered payroll	53,897	1,645,248	2,672,619	13,223	32,231	16,659	**
Excess (unfunded) AAL as a percentage of covered payroll	-135%	-3%	-13%	-138%	-378%	-53%	**
Valuation Date: July 1, 2004							
Actuarial value of assets	\$ 311,707	\$ 2,138,655	\$ 2,507,186	\$ 38,772	\$ 135,798	\$ 14,654	\$ 4,206
Actuarial accrued liability (AAL)	378,770	2,019,492	2,624,061	50,009	209,992	22,588	4,856
Excess of assets over (unfunded) AAL	(67,063)	119,163	(116,875)	(11,237)	(74,194)	(7,934)	(650)
Funded ratio	82%	106%	96%	78%	65%	65%	87%
Covered payroll	53,095	1,612,049	2,586,380	10,209	25,693	15,149	**
Excess (unfunded) AAL as a percentage of covered payroll	-126%	7%	-5%	-110%	-289%	-52%	**
Valuation Date: July 1, 2003							
Actuarial value of assets	\$ 313,123	\$ 2,078,952	\$ 2,478,161	\$ 37,286	\$ 126,151	\$ 12,758	\$ 4,199
Actuarial accrued liability (AAL)	360,502	1,860,101	2,437,632	52,006	206,846	15,685	4,947
Excess of assets over (unfunded) AAL	(47,379)	218,851	40,529	(14,720)	(80,695)	(2,927)	(748)
Funded ratio	87%	112%	102%	72%	61%	81%	85%
Covered payroll	51,204	1,491,661	2,460,569	11,944	25,400	13,158	**
Excess (unfunded) AAL as a percentage of covered payroll	-93%	15%	2%	-123%	-318%	-22%	**
SPRF - State Police Retirement Fund PERF - Public Employees' Retirement Fund ECRF - Excise Police, Gaming Agent and Conservation Enforcement Officers' Retirement Fund (Administered by the PERF board of trustees) JRS - Judges' Retirement System (Administered by the PERF board of trustees) PARF - Prosecuting Attorneys' Retirement Fund (Administered by the PERF board of trustees) LRS - Legislators' Retirement System (Administered by the PERF board of trustees)							
* Information not available							
** The benefit formula is determined based on service rather than compensation. The unfunded liability is expressed per active participant and there are 48 active participants. The unfunded liability per active participant is \$13,764							

State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2006
(amounts expressed in thousands)

	General Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ 4,516,877	\$ 4,516,877	\$ 5,203,269	\$ 686,392
Sales	2,572,523	2,572,523	2,548,707	(23,816)
Fuels	-	-	-	-
Gaming	4	4	85,498	85,494
Inheritance	120,000	120,000	145,307	25,307
Alcohol and tobacco	306,801	306,801	312,762	5,961
Insurance	175,700	175,700	177,663	1,963
Other	21	21	180,753	180,732
Total taxes	<u>7,691,926</u>	<u>7,691,926</u>	<u>8,653,959</u>	<u>962,033</u>
Current service charges	144,324	144,324	234,470	90,146
Investment income	49,323	49,323	82,366	33,043
Sales/rents	5,865	5,865	1,143	(4,722)
Grants	-	-	10,231	10,231
Other	13,251	13,251	54,705	41,454
Total revenues	<u>7,904,689</u>	<u>7,904,689</u>	<u>9,036,874</u>	<u>1,132,185</u>
Expenditures:				
Current:				
General government	705,662	1,199,811	1,058,037	141,774
Public safety	668,429	600,718	593,278	7,440
Health	105,748	97,930	97,244	686
Welfare	2,356,026	348,507	341,484	7,023
Conservation, culture and development	103,239	136,692	75,509	61,183
Education	6,117,792	6,104,805	6,089,068	15,737
Transportation	465	2,254	948	1,306
Total expenditures	<u>10,057,361</u>	<u>8,490,717</u>	<u>8,255,568</u>	<u>235,149</u>
Excess of revenues over (under) expenditures	(2,152,672)	(586,028)	781,306	(1,367,334)
Other financing sources (uses):				
Total other financing sources (uses)	<u>(677,448)</u>	<u>(677,448)</u>	<u>(290,341)</u>	<u>387,107</u>
Net change in fund balances	<u>\$ (2,830,120)</u>	<u>\$ (1,263,476)</u>	\$ 490,965	<u>\$ 1,754,441</u>
Fund balances July 1, as restated			<u>1,077,458</u>	
Fund balances June 30			<u>\$ 1,568,423</u>	

Motor Vehicle Highway Fund				Medicaid Assistance			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
482,375	482,375	494,061	11,686	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
482,375	482,375	494,061	11,686	-	-	-	-
16,607	16,607	63,542	46,935	-	-	-	-
-	-	-	-	-	-	-	-
319	319	393	74	-	-	-	-
20,149	20,149	14,434	(5,715)	3,022,039	3,022,039	3,375,051	353,012
61,241	61,241	60,351	(890)	3,087	3,087	9,344	6,257
580,691	580,691	632,781	52,090	3,025,126	3,025,126	3,384,395	359,269
12,080	310,421	310,421	-	-	-	-	-
186,317	186,973	186,973	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,879,742	4,860,732	19,010
-	-	-	-	-	-	-	-
273	275	275	-	-	-	-	-
-	2,760	2,760	-	-	-	-	-
198,670	500,429	500,429	-	-	4,879,742	4,860,732	19,010
382,021	80,262	132,352	(52,090)	3,025,126	(1,854,616)	(1,476,337)	(378,279)
(106,806)	(106,806)	(141,679)	(34,873)	1,458,074	1,458,074	1,548,068	89,994
\$ 275,215	\$ (26,544)	\$ (9,327)	\$ 17,217	\$ 4,483,200	\$ (396,542)	\$ 71,731	\$ 468,273
		5,516				(37,095)	
		\$ (3,811)				\$ 34,636	

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State of Indiana
Combining Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
Major Funds (Budgetary Basis)
For the Year Ended June 30, 2006
(amounts expressed in thousands)

	State Highway Department			
	Budget		Actual	Variance to Final Budget
	Original	Final		
Revenues:				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	2	2	-	(2)
Gaming	-	-	-	-
Inheritance	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	<u>2</u>	<u>2</u>	-	<u>(2)</u>
Current service charges	13,483	13,483	14,521	1,038
Investment income	88	88	209	121
Sales/rents	2,192	2,192	2,082	(110)
Grants	805,864	805,864	583,462	(222,402)
Other	<u>70,234</u>	<u>70,234</u>	<u>76,597</u>	<u>6,363</u>
Total revenues	<u>891,863</u>	<u>891,863</u>	<u>676,871</u>	<u>(214,992)</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	<u>1,122,347</u>	<u>1,126,908</u>	<u>1,174,191</u>	<u>(47,283)</u>
Total expenditures	<u>1,122,347</u>	<u>1,126,908</u>	<u>1,174,191</u>	<u>(47,283)</u>
Excess of revenues over (under) expenditures	(230,484)	(235,045)	(497,320)	262,275
Other financing sources (uses):				
Total other financing sources (uses)	<u>483,396</u>	<u>483,396</u>	<u>550,945</u>	<u>67,549</u>
Net change in fund balances	<u>\$ 252,912</u>	<u>\$ 248,351</u>	<u>\$ 53,625</u>	<u>\$ (194,726)</u>
Fund balances July 1, as restated			<u>325,760</u>	
Fund balances June 30			<u>\$ 379,385</u>	

Property Tax Replacement Fund				Tobacco Settlement Fund			
Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
Original	Final			Original	Final		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,438,794	2,438,794	2,568,184	129,390	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,438,794	2,438,794	2,568,184	129,390	-	-	-	-
-	-	-	-	130,001	130,001	119,346	(10,655)
-	-	-	-	366	366	294	(72)
-	-	-	-	-	-	-	-
-	-	-	-	415	415	247	(168)
-	-	-	-	146	146	1,571	1,425
2,438,794	2,438,794	2,568,184	129,390	130,928	130,928	121,458	(9,470)
-	2,009,853	2,009,853	-	-	16,368	15,073	1,295
-	-	-	-	-	-	-	-
-	-	-	-	-	29,149	29,149	-
-	-	-	-	-	-	-	-
-	-	-	-	-	152	152	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,009,853	2,009,853	-	-	45,669	44,374	1,295
2,438,794	428,941	558,331	(129,390)	130,928	85,259	77,084	8,175
(589,374)	(589,374)	(554,377)	34,997	(129,486)	(129,486)	(121,996)	7,490
<u>\$ 1,849,420</u>	<u>\$ (160,433)</u>	\$ 3,954	<u>\$ 164,387</u>	<u>\$ 1,442</u>	<u>\$ (44,227)</u>	\$ (44,912)	<u>\$ (685)</u>
		-				216,062	
		<u>\$ 3,954</u>				<u>\$ 171,150</u>	

Budget/GAAP Reconciliation Major Funds

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	GENERAL FUND	MOTOR VEHICLE HIGHWAY FUND	MEDICAID ASSISTANCE	MAJOR MOVES CONSTRUCTION FUND	STATE HIGHWAY DEPARTMENT	PROPERTY TAX RELIEF FUND	TOBACCO SETTLEMENT FUND	Total
Net change in fund balances (budgetary basis)	\$ 490,965	\$ (9,327)	\$ 71,731	\$ -	\$ 53,625	\$ 3,954	\$ (44,912)	\$ 566,036
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:								
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	99,350	186	(39,178)	3,121,840	86,816	10,307	(35)	3,279,286
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	<u>49,688</u>	<u>12</u>	<u>-</u>	<u>(354,999)</u>	<u>6,372</u>	<u>(147,369)</u>	<u>(2,785)</u>	<u>(449,081)</u>
Net change in fund balances (GAAP basis)	<u>\$ 640,003</u>	<u>\$ (9,129)</u>	<u>\$ 32,553</u>	<u>\$ 2,766,841</u>	<u>\$ 146,813</u>	<u>\$ (133,108)</u>	<u>\$ (47,732)</u>	<u>\$ 3,396,241</u>



Infrastructure - Modified Reporting Condition Rating of the State's Highways and Bridges

Roads	Average Pavement Quality Index (PQI)		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Interstate Roads (including Rest Areas and Weigh Stations)	84	83	88
NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)	81	81	81
Non-NHS Roads	76	77	77

The condition of road pavement is measured using a pavement quality index (PQI), which is based on a weighted average of three distress factors found in pavement surfaces. The PQI uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in excellent condition (90-100), good condition (80-89), fair condition (70-79), and poor condition (less than 70). It is the State's policy to maintain Interstate and NHS Non-Interstate roads at an average PQI of 75 and Non-NHS roads at an average PQI of 65. Condition assessments are determined on an annual basis for Interstates and on a biennial basis for other roads. The ratings provided are based on data gathered during the summer (July and August) of the corresponding fiscal year. The data are evaluated and compared to standard criteria by the end of the fiscal year.

Bridges	Average Sufficiency Rating		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Interstate Bridges	90.6%	91.0%	91.5%
NHS Bridges - Non-Interstate	90.3%	90.8%	91.2%
Non-NHS Bridges	87.8%	88.3%	88.4%

The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69) and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

Infrastructure - Modified Reporting
Comparison of Needed-to-Actual Maintenance/Preservation
(dollars in thousands)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Roads					
Interstate Roads (including Rest Areas and Weigh Stations):					
Needed	\$ 105,267	\$ 151,999	\$ 194,098	\$ 113,469	\$ 101,574
Actual	126,361	140,667	253,555	167,472	198,144
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Needed	234,789	230,453	256,681	248,920	253,301
Actual	413,557	376,969	415,019	392,470	314,375
Roads at State Institutions and Properties					
Needed	1,173	2,903	2,689	4,000	5,000
Actual	4,496	5,595	4,381	6,044	1,603
Total					
Needed	341,229	385,355	453,468	366,389	359,875
Actual	544,414	523,231	672,955	565,986	514,122

Bridges

Interstate Bridges					
Needed	\$ 5,749	\$ 39,166	\$ 19,946	\$ 11,220	\$ 42,634
Actual	29,520	23,863	28,723	36,736	27,838
NHS Bridges - Non-Interstate					
Needed	31,943	2,021	26,411	25,618	35,384
Actual	11,459	1,282	7,766	12,324	11,265
Non-NHS Bridges					
Needed	44,859	32,597	34,929	44,659	41,116
Actual	31,145	61,271	73,356	60,314	74,388
Bridges at State Institutions and Properties					
Needed	-	164	926	-	-
Actual	-	796	702	-	-
Total					
Needed	82,551	73,948	82,212	81,497	119,134
Actual	72,124	87,212	110,547	109,374	113,491

N/A - Information is not available

